

# Drummond Company, Inc.

## Mining Operations

# Drummond Company, Inc. | History

- Drummond Company (DCI) began operations in 1935 when Mr. H.E. Drummond started his own coal mining business in Alabama.
- DCI started exporting coal in the 1970s and subsequently established foreign sales offices in Japan, Italy, England and the Netherlands.
- DCI expanded its operations into the underground coal mining and the coke businesses by acquiring Alabama By-Products Corporation (ABC) and is still the largest merchant coke producer in the U.S. from its ABC Coke operations.
- Through the 1980s, DCI's coal operations involved coal produced primarily in the Warrior Coal Basin in Alabama.



# Drummond Company, Inc. | History

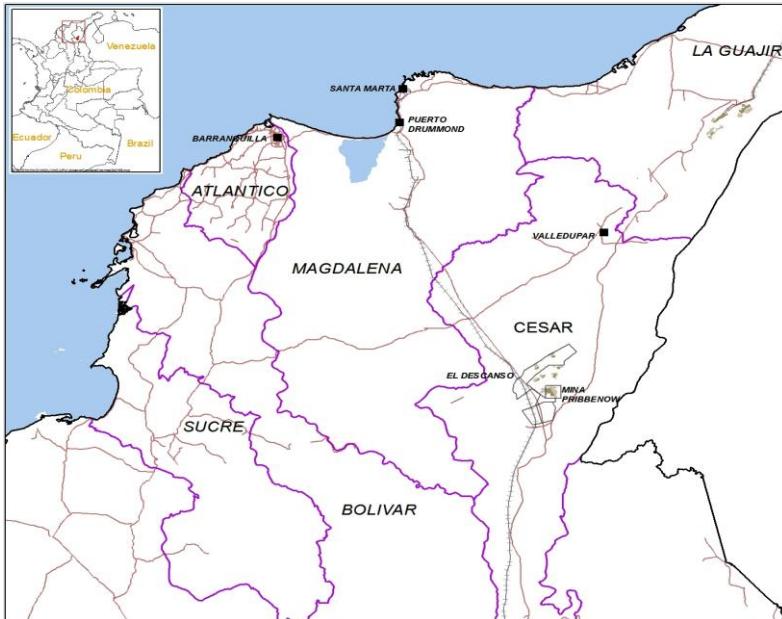
- DCI signed its first mining contract in Colombia in 1988 and began construction in 1993 with first production and sales in 1995 from Mina Pribbenow.
- DCI acquired additional reserves in Colombia in the late 1990s and early 2000s and opened El Descanso mine in 2009.
- DCI currently operates an underground metallurgical coal mine in Alabama – Shoal Creek since 1994 and in 2011 expanded its U.S. coal operations with the acquisition of Twin Pines, a surface mine metallurgical coal operation.
- DCI also has residential real estate development operations in Alabama, Florida and California.
- For more information visit our website at [www.drummondco.com](http://www.drummondco.com)



**DRUMMOND LTD.**  
COLOMBIA

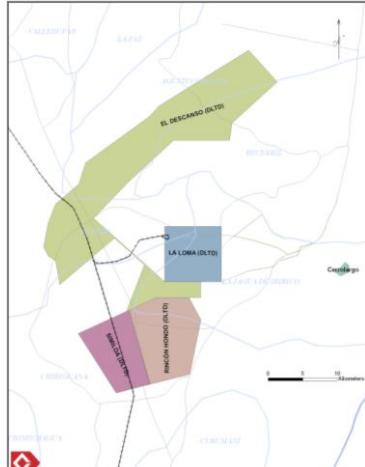
# Project in Colombia

# Project in Colombia | Location



## Year of Acquisition of Mining Rights

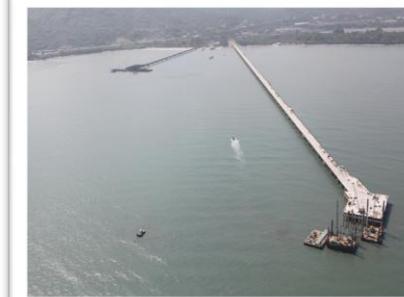
- La Loma - 1988
- El Descanso - 1997
- Rincon Hondo - 2003
- Similoa – 2003
- Cerrolargo – 2003



- The coal projects are located in the department of Cesar in the municipalities of El Paso, La Jagua de Ibirico, Chiriguaná, Becerril and Agustin Codazzi.
- The coal projects are: La Loma (began production 1995) and El Descanso North (began production 2009) and future expansion will include the El Descanso South, Rincón Hondo, Similoa and Cerrolargo areas.
- Drummond Ltd. mines these reserves pursuant to contracts with ANM, the Colombian state-owned company that administers state-owned coal reserves activities and pays a royalty to ANM based on the coal produced from each reserve.
- The areas currently being mined represent  $\frac{1}{4}$  of 1% of the total area of the state of Cesar.



# Project in Colombia | Mines, Railroad & Port



Drummond Ltd.'s coal production and transportation operations in northern Colombia currently include:

- two open-pit coal mines (Mina Pribbenow and El Descanso) and additional reserves at Rincón Hondo, Similoa and Cerrolargo
- an ocean port (Puerto Drummond) located on the Caribbean Sea near Cienaga
- 40.96% equity participation in Fenoco, the company that has the Colombian Government's railroad concession which runs from mines to port
- Company-owned rail transportation equipment that links the 192-km distance between the coal mines and the port



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**What we found in the  
mid 1980s at other  
mining operations in the  
area**

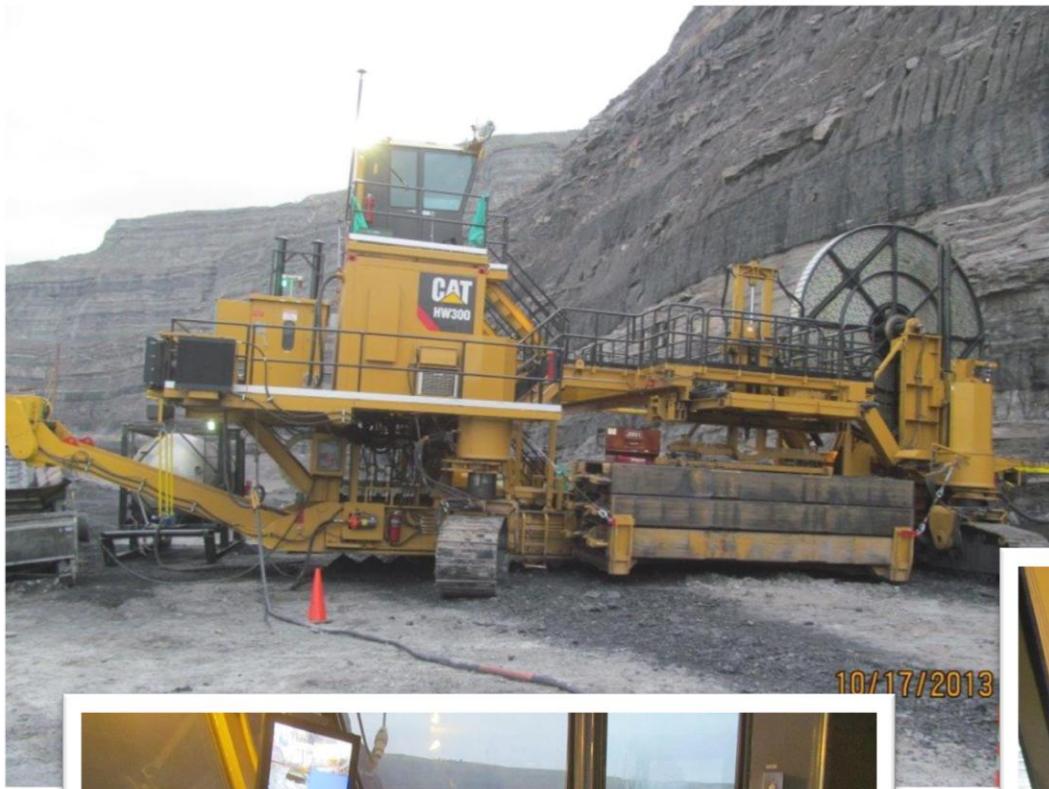


# TODAY

## KOMATSU Shovels



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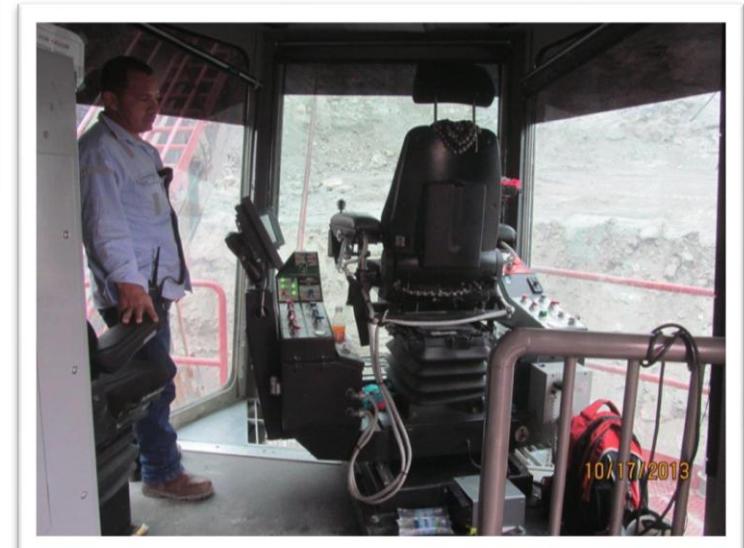
## CAT Highwall Miner



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## Bucyrus Shovels



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## CAT Trucks



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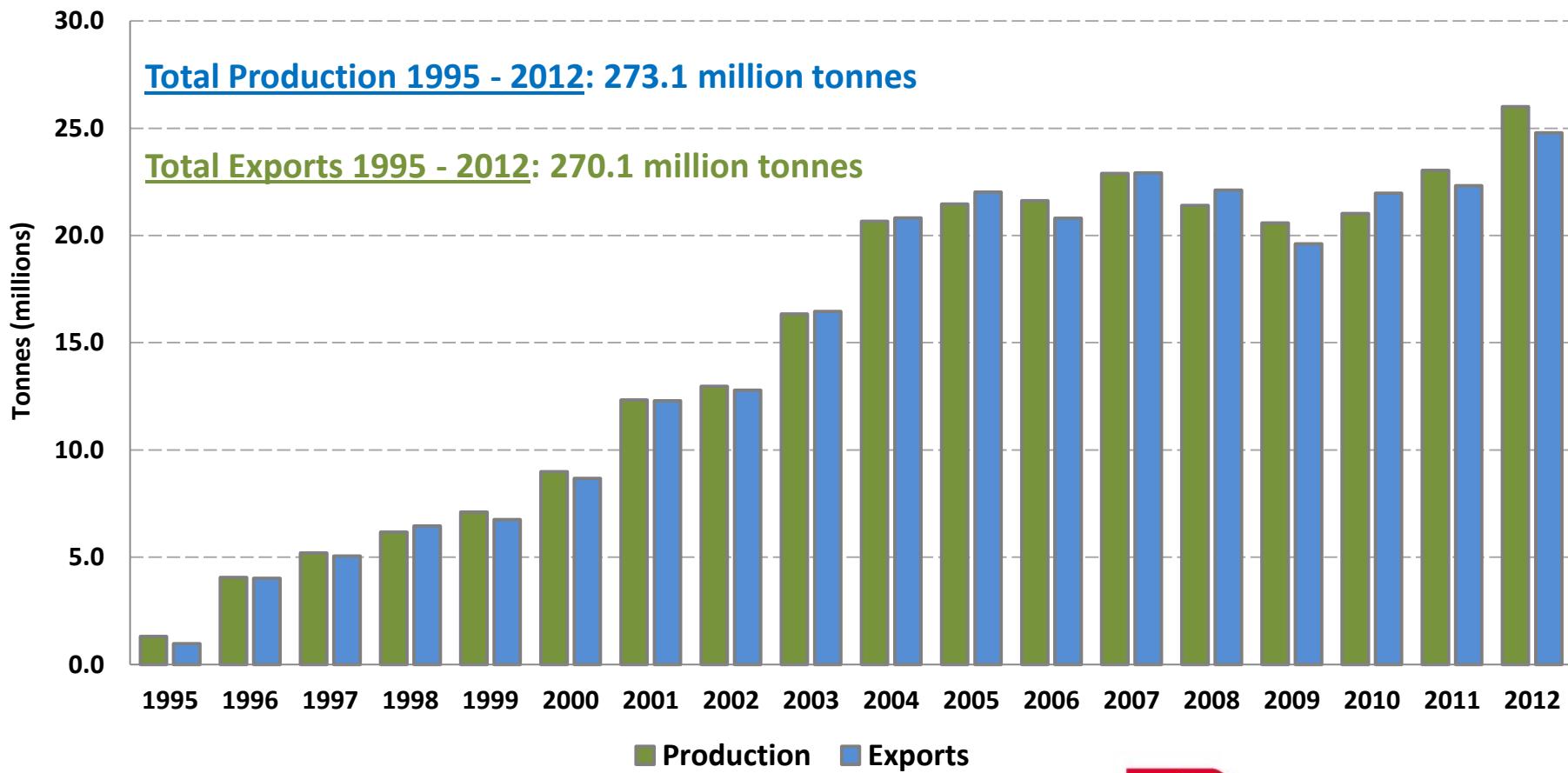


**What we are in Colombia: a world-class operation with state-of-the-art equipment that also provides optimum working conditions for our employees**



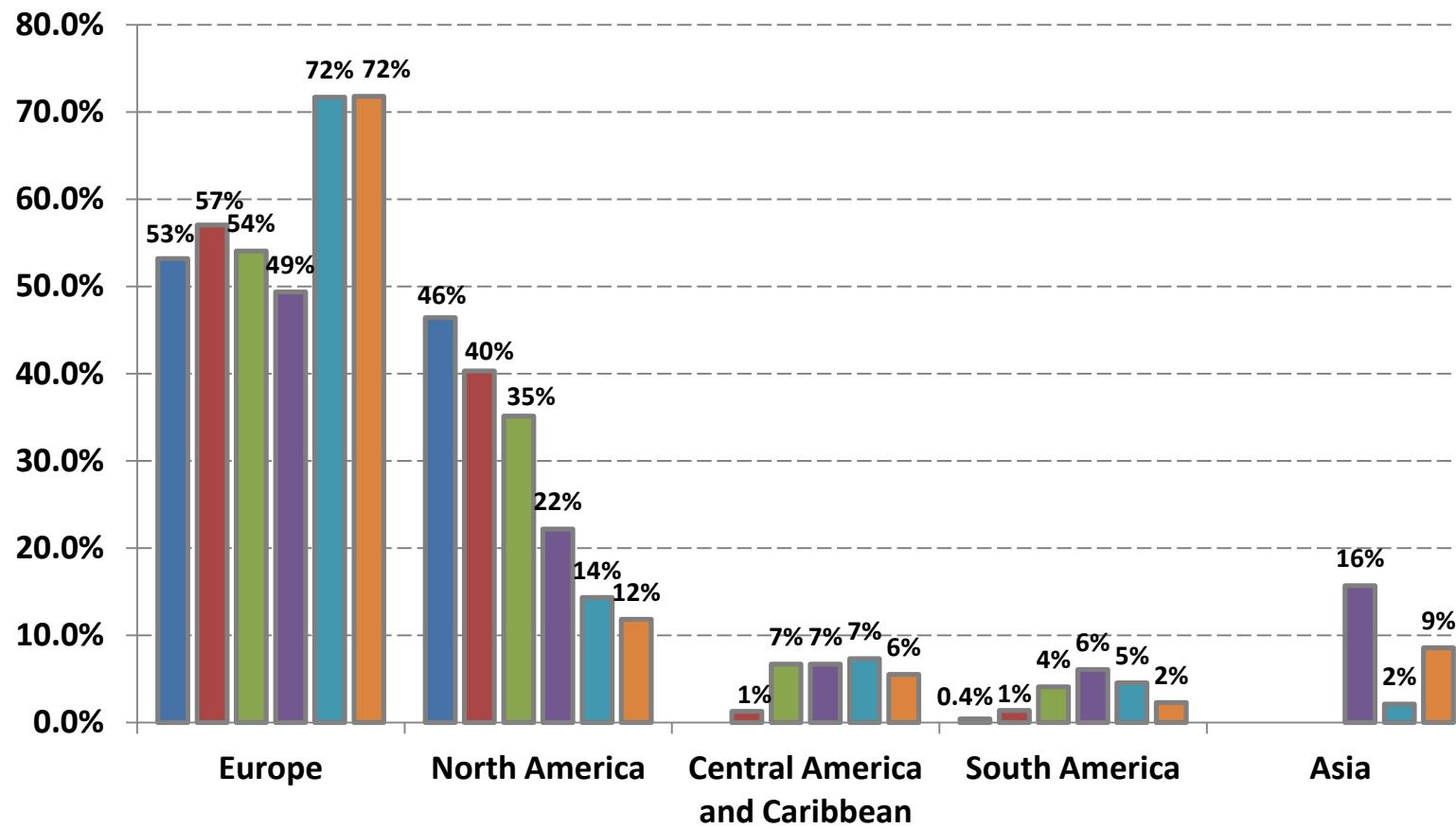
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# Project in Colombia | Overview



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# Project in Colombia | Coal Destination



■ 2007 ■ 2008 ■ 2009 ■ 2010 ■ 2011 ■ 2012



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